

Medicare Prescription Drug, Improvement, and Modernization Act of 2003
THE NEW MEDICARE PRESCRIPTION DRUG BENEFIT:
ELIGIBILITY & ENROLLMENT
Section 1860D-1

All 41 million Medicare beneficiaries will have the choice of enrolling in the new Medicare drug benefit, called Medicare Part D. Anyone who is entitled to Medicare Part A *or* enrolled in Part B is eligible to join Part D.

- The new Part D drug benefit will be delivered by private health plans. Joining Part D will involve selecting an approved plan and enrolling in it for the year.
- Beneficiaries will have two main options for how they receive their Part D drug benefit.
 - Those who wish to remain in traditional Medicare may elect to join a stand-alone prescription drug plan (PDP) that adds drug benefits on top of regular Medicare.
 - Those who wish to receive all their medical and drug benefits from one source can join a Medicare Advantage (MA) plan, which will provide an integrated benefit.
- Enrollment in a Part D plan is entirely voluntary. However, beneficiaries who choose not to join Part D at the first opportunity may face a late enrollment penalty if they later choose to enter the program. This penalty is similar to a penalty currently in place for late enrollment in Medicare Part B and is meant to make sure that people don't wait until they are sick to sign up.
- Beneficiaries who have other sources of drug coverage – through a former employer, for example – may stay in that plan and not enroll in Part D. If their other coverage is at least as good as Part D (and therefore considered “creditable coverage”), then the beneficiary can avoid any late enrollment penalties when or if they later join Part D.
- The new Medicare Part D has an “opt-in” rule. That means that, with limited exceptions, beneficiaries will need to make an affirmative statement to join Part D by filling out an enrollment form and joining an approved plan. This will be different from the “opt-out” rule that exists in Part B, where people are deemed to have enrolled in the program when they turn 65 unless they notify Medicare otherwise.
- Initial open enrollment for Part D will begin November 15, 2005 and will run for six months to May 15, 2006. In later years, open enrollment will run from November 15 to December 31 for the next benefit year. The enrollment periods for drug-only plans and Medicare Advantage plans will run concurrently.